

State of California

Franchise Tax Board-Legislative Services Bureau
PO Box 1468 MS A350
Sacramento, CA 95812-1468

Telephone: (916) 845-4326
ATSS: (916) 468-4326
FAX: (916) 845-5472

Legislative Change No.

06-20

Bill Number: SB 1249 Author: Alquist Chapter Number: 06-645

Laws Affecting Franchise Tax Board: Revenue and Taxation Code sections: 18709, 18716, 18724, 18744, 18766, 18796, 18808, 18830, 18845.3, 18846.3, 18847.3, and 18855.

Date Filed with the Secretary of State: September 29, 2006

SUBJECT: Voluntary Contribution Funds/Change In Year When The Minimum Contribution Amount Must Be Met/Change In Minimum Contribution Amount For California Fund For Senior Citizens

Senate Bill 1249 (Alquist), as enacted on September 29, 2006, made the following changes to California law:

Section 18709 of the Revenue and Taxation Code is amended.

This act would specify that the California Military Family Relief Fund remain in effect until January 1, 2010, unless a later enacted statute deletes or extends that date.

This act specifies that the minimum contribution amount will be adjusted for inflation beginning September 1 of calendar year 2007.

This act specifies that if by September 1, 2006, it is estimated that the California Military Family Relief Fund will not receive at least \$250,000 in contributions during the 2006 calendar year, then this article would be repealed with respect to tax returns filed on or after January 1, 2007.¹

Section 18716 of the Revenue and Taxation Code is amended.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 2002 calendar year or the adjusted minimum contribution amount for the State Children's Trust Fund for the Prevention of Child Abuse.

Section 18724 of the Revenue and Taxation Code is amended.

This act removes the annual inflation factor adjustment on the minimum contribution for the California Fund For Senior Citizens, thus fixing the minimum contribution threshold amount for the fund to be retained on the California state personal income tax return at \$250,000.

¹ It was estimated that the California Military Family Relief Fund **would** receive the required contributions to remain on the 2006 California Personal Income Tax Return.

Assistant Bureau Director

Patrice Gau-Johnson

Date

10/24/06

This act defines the minimum contribution amount for a calendar year as \$250,000 for a calendar year.

Section 18744 of the Revenue and Taxation Code is amended.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 2002 calendar year or the adjusted minimum contribution amount for the Rare and Endangered Species Preservation Fund.

Section 18766 of the Revenue and Taxation Code is amended.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 2000 calendar year or the adjusted minimum contribution amount for the California Alzheimer's and Related Disorders Research Fund. The calendar year adjustment is changed from 1992 to 2001.

Section 18796 of the Revenue and Taxation Code is amended.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 1997 calendar year or the adjusted minimum contribution amount for the California Breast Cancer Research Fund.

Section 18808 of the Revenue and Taxation Code is amended.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the first calendar year after the effective date of the act deleting the repeal date or the adjusted minimum contribution amount thereafter for the California Peace Officer's Memorial Foundation Fund.

Section 18830 of the Revenue and Taxation Code is amended.

This act would specify that the Veterans' Quality of Life Fund remain in effect until January 1, 2011, unless a later enacted statute deletes or extends that date.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 2007 calendar year or the adjusted minimum contribution amount beginning in calendar year 2008 for the Veterans' Quality of Life Fund.

Section 18845.3 of the Revenue and Taxation Code is amended.

This act would specify that the California Prostate Cancer Research Fund remain in effect until January 1, 2010, unless a later enacted statute deletes or extends that date.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 2006 calendar year or the adjusted minimum contribution amount thereafter for the California Prostate Cancer Research Fund.²

Section 18846.3 of the Revenue and Taxation Code is amended.

This act would specify that the California Sexual Violence Victim Services Fund remain in effect until January 1, 2011, unless a later enacted statute deletes or extends that date.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 2007 calendar year or the adjusted minimum contribution amount thereafter.

Section 18847.3 of the Revenue and Taxation Code is amended.

This act would specify that the California Colorectal Cancer Prevention Fund remain in effect until January 1, 2011, unless a later enacted statute deletes or extends that date.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 2007 calendar year or the adjusted minimum contribution amount thereafter.

Section 18855 of the Revenue and Taxation Code is amended.

This act defines the minimum contribution amount for a calendar year as \$250,000 for the 1999 calendar year or the adjusted minimum contribution amount for the Emergency Food Assistance Program Fund.

Sections 18709, 18716, 18724, 18744, 18766, 18796, 18808, 18830, 18845.3, 18846.3, 18847.3, and 18855 of the Revenue and Taxation Code are amended.

Beginning September 1, 2006, and by September 1 of each subsequent calendar year, the Franchise Tax Board (FTB) is required to make the following two determinations for each fund³:

1. The minimum contribution amount required for the fund to remain on the return for the following calendar year.
2. Whether estimated contributions to the fund will be less than the minimum contribution amount for that calendar year.

² It was determined that the California Prostate Cancer Research Fund **would fail** to meet the minimum contribution amount to remain on the 2006 California personal income tax return.

³ Except for the Veterans' Quality of Life Fund, FTB would be required to make the determinations beginning September 1, 2007, rather than September 1, 2006.

Beginning September 1, 2006, FTB is required to provide written notification to contacts specified below of the minimum contribution amount required for each of the following funds⁴ to remain on the return for the next calendar year:

<u>Fund</u>	<u>Contact</u>
California Military Family Relief Fund	The Adjutant General
State Children's Trust Fund for the Prevention of Child Abuse	Department of Social Services
California Fund for Senior Citizens	California Senior Legislature
Rare and Endangered Species Preservation Program Fund	Department of Fish and Game
California Alzheimer's and Related Disorders Research Fund	Secretary of CA Health and Human Services
California Breast Cancer Research Fund	University of California
California Peace Officer's Memorial Foundation Fund	California Peace Officer Memorial Commission
Veterans' Quality of Life Fund	Department of Veterans Affairs
California Prostate Cancer Research Fund	California Coalition to Cure Prostate Cancer
California Sexual Violence Victim Services Fund	California Coalition Against Sexual Assault
California Colorectal Cancer Prevention Fund	State Department of Health Services
Emergency Food Assistance Program Fund	State Department of Social Services

Off-code language is added.

Voluntary contribution funds that were subject to a minimum contribution amount in 2005 and appeared on the 2005 state income tax return are subject to the same minimum contribution amount for calendar year 2006.

This act is effective on September 29, 2006, and operative as of that date.

This act will not require any reports by the department to the Legislature.

⁴ Except for the Veterans' Quality of Life Fund, which FTB would notify beginning September 1, 2007.